



DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-825]

Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey: Notice of Initiation and Preliminary Results of Countervailing Duty Changed Circumstances Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) is initiating a changed circumstances review (CCR) to determine whether Özdemir Boru Profil Sanayi ve Ticaret Anonim Sirketi (Ozdemir A.S.) is the successor-in-interest to Özdemir Boru Profil Sanayi ve Ticaret Limited Sirketi (Ozdemir LLC) in the context of the countervailing duty (CVD) order on heavy walled rectangular pipes and tubes (HWR pipes and tubes) from the Republic of Turkey (Turkey). We also preliminarily determine that Ozdemir A.S. is the successor-in-interest to Ozdemir LLC. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Jaron Moore, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3640.

SUPPLEMENTARY INFORMATION:

Background

On September 13, 2016, Commerce published the CVD order on HWR pipes and tubes from Turkey.¹ On November 2, 2021, Ozdemir A.S. requested that, pursuant to section 751(b)

¹ See *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 81 FR 62874 (September 13, 2016) (*Order*).

of the Tariff Act of 1930, as amended (the Act), 19 CFR 351.216, and 19 CFR 351.221(c)(3), Commerce conduct a CCR of the *Order* to confirm that Ozdemir A.S. is the successor-in-interest to Ozdemir LLC and, accordingly, to assign it the cash deposit rate of its predecessor.² In its request, Ozdemir A.S. stated that it undertook a legal name change from Özdemir Boru Profil Sanayi ve Ticaret Limited Sirketi, but the company is otherwise unchanged with regard to the relevant factors to be examined.³ No interested parties filed comments opposing the CCR Request.

On November 18, 2021, we issued a letter to Ozdemir A.S. requesting additional information and documentation regarding changes in the company's ownership, productive facilities, and corporate, legal and financial structures, as well the level of government involvement, during the relevant period.⁴ Ozdemir A.S. refiled its CCR Request on November 24, 2021, with the requisite information.⁵ On January 6, 2022, we extended the deadline to initiate a CCR until February 22, 2022.⁶ On January 21, 2022, we issued a supplemental questionnaire to Ozdemir A.S., requesting additional information with regard to government involvement in the company's operations,⁷ to which it provided a timely response on January 28, 2022.⁸

Scope of the *Order*

The products covered by the *Order* are certain heavy walled rectangular welded steel pipes and tubes of rectangular (including square) cross section, having a nominal wall thickness of not less than 4 mm. The merchandise includes, but is not limited to, the American Society for

² See Ozdemir A.S.'s Letter, "Request for Changed Circumstances Reviews," dated November 2, 2021 (CCR Request).

³ *Id.*

⁴ See Commerce's Letter, "Request for Changed Circumstances Reviews for Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Turkey Orders," dated November 18, 2021 (therein requesting additional information from Ozdemir A.S.).

⁵ See Ozdemir A.S.'s Letter, "Request for Changed Circumstances Reviews," dated November 24, 2021 (CCR Request Supplemental). Ozdemir A.S. also requested that Commerce conduct an expedited initiation and preliminary results of CCR, pursuant to 19 CFR 351.221(c)(3)(ii).

⁶ See Commerce's Letter, "Extension of Initiation Deadline," dated January 6, 2022.

⁷ See Commerce's Letter, "Supplemental Questionnaire," dated January 21, 2022.

⁸ See Ozdemir A.S.'s Letter, "Supplemental Questionnaire," dated January 28, 2022 (Jan 28 Response).

Testing and Materials (ASTM) A-500, grade B specifications, or comparable domestic or foreign specifications.

Included products are those in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements below exceed the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.0 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium.

The subject merchandise is currently provided for in item 7306.61.1000 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under HTSUS 7306.61.3000. While the HTSUS subheadings and ASTM specification are provided for convenience and customs purposes, the written description of the scope of the *Order* is dispositive.

Initiation and Preliminary Results of CCR

Pursuant to section 751(b) of the Act, and 19 CFR 351.216, Commerce will conduct a CCR upon receipt of information concerning, or a request from an interested party for a review

of a CVD order, which shows changed circumstances sufficient to warrant a review of the order.⁹ Commerce finds that the information submitted by Ozdemir A.S. demonstrates changed circumstances sufficient to warrant such a review.¹⁰ Therefore, in accordance with 751(b)(1)(A) of the Act and 19 CFR 351.216(d), we are initiating a CCR based on the information contained in Ozdemir A.S.'s filings to determine whether Ozdemir A.S. is the successor-in-interest to Ozdemir LLC.

Further, 19 CFR 351.221(c)(3)(ii) permits Commerce to combine the notice of initiation of a CCR and the notice of preliminary results of a CCR in a single notice if Commerce concludes that expedited action is warranted. In this instance, because the record contains information necessary to make a preliminary finding, we find that expedited action is warranted and have combined the notice of initiation and the notice of preliminary results.¹¹

In a CVD CCR, Commerce will make an affirmative successorship finding (*i.e.*, that the respondent company is the same subsidized entity for CVD cash deposit purposes as the predecessor company) where there is no evidence of significant changes in the respondent's: (1) operations; (2) ownership; and (3) corporate and legal structure during the relevant period (*i.e.*, the "look-back window") that could have affected the nature and extent of the respondent's subsidy levels.¹² Where Commerce makes an affirmative CVD successorship finding, the successor's merchandise will be entitled to enter under the predecessor's cash deposit rate.¹³

⁹ See 19 CFR 351.216(d).

¹⁰ See CCR Request; CCR Request Supplemental; and Jan 28 Response; see also *Cast-Iron Soil Pipe Fittings from the People's Republic of China: Initiation and Preliminary Results of Changed Circumstances Reviews*, 84 FR 64263 (November 21, 2019).

¹¹ See 19 CFR 351.221(c)(3)(ii); see also, *e.g.*, *Notice of Initiation and Preliminary Results of Changed Circumstances Reviews: Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China*, 85 FR 5193 (January 29, 2020), unchanged in *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Results of Changed Circumstances Reviews*, 85 FR 14638 (March 13, 2020) (*Passenger Vehicle and Light Truck Tires from China CCR*).

¹² See *Certain Pasta from Turkey: Preliminary Results of Countervailing Duty Changed Circumstances Review*, 74 FR 47225, 47227 (September 15, 2009). In this case, the relevant period, or "look-back window," is December 31, 2020 (end of the period of review associated with the most recent opportunity to request an administrative review), through November 2, 2021 (date of the original CCR request).

¹³ See *Passenger Vehicle and Light Truck Tires from China CCR*.

Here, there is no evidence of significant changes between Ozdemir LLC and the successor-in-interest company Ozdemir A.S.'s operations, ownership, or corporate or legal structure during the relevant period that could have impacted the successor-in-interest company's subsidy levels.¹⁴ Record evidence, as submitted by Ozdemir A.S., indicates that Ozdemir A.S. operates as essentially the same business entity as Ozdemir LLC with respect to the subject merchandise.¹⁵ Specifically, all record information with respect to trading operations,¹⁶ shareholders,¹⁷ and corporate and legal structure¹⁸ demonstrates that Ozdemir A.S. is the same subsidized entity as its predecessor.¹⁹ Accordingly, we preliminarily determine that Ozdemir A.S. is the successor-in-interest to Ozdemir LLC, and as such, that Ozdemir A.S. is entitled to Ozdemir LLC's CVD cash deposit rate with respect to entries of subject merchandise.

Commerce will issue its final results of the review in accordance with the time limits set forth in 19 CFR 351.216(e). Should the final results remain the same as these preliminary results, we will instruct U.S. Customs and Border Protection to assign entries of subject merchandise exported by Ozdemir A.S. the CVD cash deposit rate applicable to Ozdemir LLC, effective the date of publication of the final results.

Public Comment

Pursuant to 19 CFR 351.310(c), an interested party may request a hearing within 14 days of publication of this notice.²⁰ In accordance with 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 14 days after the date of publication of this notice.²¹

¹⁴ See CCR Request; CCR Request Supplemental; and Jan 28 Response; *see also Passenger Vehicle and Light Truck Tires from China* CCR, 85 FR at 5195.

¹⁵ See CCR Request; CCR Request Supplemental; and Jan 28 Response.

¹⁶ See CCR Request at 5 and Exhibits 8-9 and CCR Request Supplemental at 6 and Exhibits 8-9, which demonstrates that Ozdemir A.S.'s trading operations are the same as those of Ozdemir LLC.

¹⁷ See CCR Request at 3-4 and Exhibits 3 and CCR Request Supplemental at 3-4 and Exhibits 2-5, which demonstrates that Ozdemir A.S.'s shareholders are the same as those of Ozdemir LLC.

¹⁸ See CCR Request at 3-5 and Exhibits 3, 6-7 and CCR Request Supplemental at 3 and Exhibits 3-5, which demonstrates that Ozdemir A.S.'s corporate and legal structure is the same as that of Ozdemir LLC.

¹⁹ See CCR Request; CCR Request Supplemental; and Jan 28 Response.

²⁰ Commerce is exercising its discretion under 19 CFR 351.310(c) to alter the time limit for requesting a hearing to 14 days.

²¹ Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for the filing of case briefs to 14 days.

Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the case briefs, in accordance with 19 CFR 351.309(d).²² Parties who submit case or rebuttal briefs are requested to submit with each argument: (1) a statement of the issue; and (2) a brief summary of the argument.²³ All comments are to be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Electronic Service System (ACCESS) available to registered users at <https://access.trade.gov>, and must also be served on interested parties. An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day it is due.²⁴ Note that Commerce has temporarily modified certain requirements for serving documents containing business proprietary information, until further notice.²⁵

Final Results of the Changed Circumstances Review

Consistent with 19 CFR 351.216(e), Commerce will issue the final results of this CCR no later than 270 days after the date on which this review was initiated, or within 45 days of publication of these preliminary results, if all parties agree to the preliminary finding.

Notification to Interested Parties

This notice is published in accordance with sections 751(b)(1) and 777(i) of the Act and 19 CFR 351.216(b) and 351.221(c)(3)(ii).

Dated: February 17, 2022.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

[FR Doc. 2022-03986 Filed: 2/24/2022 8:45 am; Publication Date: 2/25/2022]

²² See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006, 17007 (March 26, 2020).

²³ See 19 CFR 351.309(c)(2); 19 CFR 351.309(d)(2).

²⁴ See 19 CFR 351.303(b).

²⁵ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).